

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

LAW DEPARTMENT
701 COMMERCE STREET
DALLAS, TEXAS 75202

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RECORDATION NO. 2207 Filed & Recorded IN REPLY REFER TO: 410,043-22

MAY 2 1977 -4 10 PM April 27, 1977

INTERSTATE COMMERCE COMMISSION

Mr. Robert L. Oswald, Secretary
Interstate Commerce Commission
Washington, DC 20423

Re: Lease Agreement dated March 31, 1977, between
Southwestern States Management Co. and Missouri-
Kansas-Texas Railroad Company covering Two Used
Electromatic Tampers

Dear Mr. Oswald:

In accordance with the provisions of Section 20c of the Interstate Commerce Act and the rules and regulations approved and prescribed by the Interstate Commerce Commission pursuant thereto, there are submitted herewith for filing and recordation three original counterparts of a Lease Agreement dated March 31, 1977, by and between Southwestern States Management Company, 701 Commerce Street, Dallas, Texas 75202, as Lessor, and Missouri-Kansas-Texas Railroad Company, 701 Commerce Street, Dallas, Texas 75202, as Lessee, which Lease Agreement provides for the leasing by Southwestern States Management Co. to Missouri-Kansas-Texas Railroad Company two (2) Model VDEJ2.503 16 Tool Electromatic Tampers (used), Serial Nos. 6612 and 6652.

I am also enclosing a cashier's check drawn on Texas Bank & Trust Company of Dallas in the amount of \$50 to cover the cost of filing and recordation.

Please return the copies to the undersigned for distribution.

I certify that I have knowledge of the matters set forth herein.

Respectfully submitted,

Arthur M. Albin

Arthur M. Albin

AMA:vas
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

5/2/77

OFFICE OF THE SECRETARY

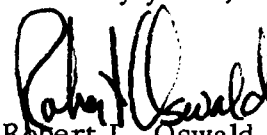
Arthur M. Albin Gen. Atty.
Mo.-Ka.- Tm.-Rail Road
Law Department
701 Commerce Street
Dallas, Texas 75202

Dear

Sir:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on 5/2/77 at 4:10pm,
and assigned recordation number(s) 8807

Sincerely yours,


Robert L. Oswald
Secretary

Enclosure(s)

SE-30
(5/76)

LEASE AGREEMENT

MAY 2 1977 -4 10 PM

UNIVERSAL COMMERCE COMMISSION

THIS AGREEMENT entered into this 31st day of March, 1977, by and between SOUTHWESTERN STATES MANAGEMENT CO., a Missouri corporation, with its principal office in Dallas, Texas, hereinafter called "Lessor," and MISSOURI-KANSAS-TEXAS RAILROAD COMPANY, a Delaware corporation, with its principal office in Dallas, Texas, hereinafter called "Railroad;"

W I T N E S S E T H:

WHEREAS, on November 15, 1976, Lessor agreed to purchase from TAMPER, a division of CANRON, INC., of West Columbia, South Carolina, the following personal property, hereinafter described as "Equipment," in accordance with a Conditional Sale Agreement which was subsequently assigned to THE CITIZENS NATIONAL BANK OF MUSKOGEE, OKLAHOMA:

Two (2) Model VDEJ2.503 16 Tool Electromatic Tampers (used)
Serial Nos. 6612 and 6652

WHEREAS, the Railroad desires to lease said Equipment from the Lessor for a period of eighteen (18) months upon the terms, conditions, and considerations hereinafter set forth;

NOW, THEREFORE, for and in consideration of the rental set forth below and the mutual covenants and agreements of the parties hereto to be by them respectively kept and performed, it is agreed as follows:

1. Lessor hereby agrees to lease to the Railroad the two (2) above described Model VDEJ2.503 16 Tool Electromatic Tampers at the monthly rental charge of \$1,100 per tamper. Said lease shall commence as to each tamper on the date on which it is delivered to Railroad by Lessor, which is agreed to be January 7, 1977.
2. Said Equipment can be used by the Railroad at any location in the States of Missouri, Kansas, Oklahoma, and Texas, but shall not be subleased to any other party, and said Equipment shall not be used in any other states without a written consent of Lessor first had and obtained.
3. Railroad agrees to pay to Lessor at its office in Dallas, Texas, the monthly rental as required herein, commencing as to each Tamper on the date it is delivered by Lessor to Railroad, with monthly payments to be made as to each Tamper on the same day of each succeeding month until expiration of said lease. Railroad shall have the right to prorate its payments, based on the amounts required in Paragraph 1 above, to make the two payment dates correspond to each other or to make payments on the first day of each month during the term of this lease.
4. The Railroad hereby agrees to comply with all laws, regulations,

and orders imposed by any governmental body or agency applicable to the Equipment, or the use thereof, and to assume the risk of liability arising from or pertaining to the possession, operation, or use of the Equipment. Railroad further agrees to assume the risk of and liability for, and to protect, indemnify, and hold harmless the Lessor from and against any and all claims, demands, causes of action (and all suits, judgments, costs, attorneys' fees, and other expenses connected therewith) of itself, and of its agents or employees, and of all persons whomsoever, for and on account of injuries to or death of any persons whomsoever, and for or on account of loss of or damage to any property of any kind or character, including damage to or destruction of any unit of said Equipment, resulting from or growing out of the possession, use, or operation of said Equipment by the Railroad.

5. The Railroad further agrees to bear the total responsibility for the maintenance, upkeep, and repair of said Equipment at its own cost and expense and, in the case of irreparable damage, destruction, or loss to any unit of said Equipment, to replace the same with equipment of the same book value or to pay to Lessor the depreciated value thereof based on a monthly depreciation rate of 1% of the original book value of said unit so irreparably damaged, destroyed, or lost.

6. Railroad shall have the option to renew this Lease on a month-to-month basis upon the expiration of the said eighteen months and shall notify Lessor at least thirty days prior thereto of the Railroad's desire to extend the Lease. Upon receipt of such notice, Lessor shall advise Railroad as to the monthly rental as determined by Lessor, which rental shall be based upon a rate of return of 9% per annum of the fair market value of the Equipment as determined at the time of notice and readjusted every year thereafter until this Lease be terminated by either party giving 30-days' written notice of its intent to terminate, said termination to be effective at the expiration of said 30-day period. In the event Railroad rejects said rental rate, this lease shall terminate as of the date of the rejection.

7. Railroad agrees not to sell, pledge, hypothecate, or otherwise encumber or suffer a lien upon or against this Agreement or the Equipment leased hereunder.

8. Upon the expiration of the term of this Lease, the Railroad will deliver said Equipment to Lessor at Dallas, Texas, in the same condition as when received by Railroad, ordinary wear and tear excepted.

IN WITNESS WHEREOF, the Lessor and the Railroad have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date and year first above written.

ATTEST:


Assistant Secretary

ATTEST:


Assistant Secretary

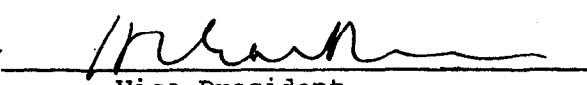
SOUTHWESTERN STATES MANAGEMENT CO.

By


Vice President

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

By


Vice President

STATE OF TEXAS)
)
COUNTY OF DALLAS)

BEFORE ME, the undersigned, on this day personally appeared Karl R. Ziebarth, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said SOUTHWESTERN STATES MANAGEMENT CO., a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 6TH day of ~~March~~ ^{APRIL}, 1977.

R. E. Mc Cormick
Notary Public in and for Dallas County,
T E X A S

My Commission expires: 6-1-1977

STATE OF TEXAS)
)
COUNTY OF GRAYSON)

BEFORE ME, the undersigned, on this day personally appeared H. L. Gastler, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said MISSOURI-KANSAS-TEXAS RAILROAD COMPANY, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 4th day of April, 1977.

Reggie Fleming
Notary Public in and for Grayson County,
T E X A S

My Commission expires: April 27, 1978

APPROVED AS TO FORM:

A m Alth-